



Congressman Jim Jordan (R-OH), RSC Chairman
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Repeal the AMT

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Background: The Alternative Minimum Tax, or AMT, was enacted in 1969 to ensure that a small number of high-earning taxpayers paid a minimum level of income taxes. However, the provisions of the AMT were [not indexed to inflation](#), so the number of people affected by the tax has continued to rise. Through the years, Congress has patched the AMT by increasing the exemption so that the law would affect fewer taxpayers. Most recently, in 2010, Congress passed H.R. 4853, the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act, another two year extension of the “patch.” Unfortunately, the AMT was never patched for the 2012 year, potentially forcing a huge tax hike on millions of Americans.

- **What This Proposal Will Do:** This proposal would repeal the AMT for individuals.
- **Why This Proposal Is Necessary:** Patches of the AMT are only a temporary fix that do not permanently solve the AMT problem for middle-class families. This tax, which was originally created to apply only to a small group of wealthy Americans, was poorly designed and has become one more example of our outrageously broken tax system. “[America’s most hated, ineffective, insidious tax](#),” as it has been called, is too complex and unnecessary to be considered legitimate. A simpler and fairer tax system requires its abolition.

Whether the AMT is simply patched or fully repealed, however, Congress should act immediately. In the absence of Congressional action on the AMT, more than 32 million taxpayers will find their tax bill for 2012 skyrocket. Given our nation’s economic health—and the millions of small businesses, individuals, and families struggling to make ends meet—Congress must address the AMT to prevent a catastrophic hike. What is more, there has been [bipartisan agreement](#) that Congress cannot allow the AMT patch to end. This being the case, Congress should solve this recurring problem rather than kicking the can further down the road. This outdated and complex tax should be repealed.

Conclusion: The AMT, an outdated and poorly constructed tax, is set to impact the 2012 tax bill of tens of millions of new Americans. Congress should act to abolish this tax entirely rather than prolong this recurring problem.

MEMBER ACTION ITEM: Rep. Scott Garrett (R-NJ) has introduced H.R. 547, the Individual AMT Repeal Act. This legislation entirely abolishes the AMT. For more information or to cosponsor this legislation, please contact Andrew Shaw at Andrew.Shaw@mail.house.gov.

If you would like to participate in the RSC Repeal Task Force, please email Rick.Eberstadt@mail.house.gov.

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“The RSC Repeal Task Force’s mission is to put our nation onto a path of greater economic freedom by eliminating U.S. federal laws and regulations that impede or inhibit economic growth, prosperity and opportunity.”